

M. A DEGREE END SEMESTER EXAMINATION : OCTOBER 2022
SEMESTER 3 : ECONOMICS
COURSE : 21P3ECOT11 : INTERNATIONAL TRADE THEORY AND POLICY
(For Regular - 2021 Admission)

Duration : Three Hours

Max. Weights: 30

PART A**Answer any 8 questions****Weight: 1**

1. What is conjectural variation? (U, CO 3)
 2. What is opportunity cost? (R, CO 1)
 3. Distinguish between revenue tariff and protective tariff (U)
 4. What is meant by technology cycles? (U, CO 3)
 5. If a lawyer earns Rs. 100 per hour at practising law but can also type faster than her secretary who receives Rs.10 per hour, does it pay for the lawyer to fire her secretary and do her own typing? Justify your answer using appropriate trade theory. (A, CO 1)
 6. What happens to consumption when ultra anti trade bias occurs? (A, CO 2)
 7. What is a reaction function? (U, CO 3)
 8. What is Leontief statistic? (U)
 9. What is dumping? (R)
 10. What is a quota? (U)
- (1 x 8 = 8)**

PART B**Answer any 6 questions****Weights: 2**

11. Draw a figure and explain illustrating the effect of a trade diverting customs union that decreases the welfare of the nation joining it? (A, CO 4)
 12. Explain why a trade creating customs union increases the welfare of the nation forming it? (U, CO 4)
 13. How intra industry trade differs from inter industry trade and how it is measured? (U, CO 3)
 14. Evaluate the Imitation gap model. (E, CO 3)
 15. Identify the causes of Intra- Industry trade (U, CO 3)
 16. Explain the idea of Optimum tariff (U)
 17. How do the mercantilist's views on trade differ from those of Adam Smith? (U, CO 1)
 18. Explain the concept of factor intensity using suitable diagram (U)
- (2 x 6 = 12)**

PART C**Answer any 2 questions****Weights: 5**

19. Evaluate the Technology Gap models of trade (E, CO 3)
20. Evaluate various approaches used for the empirical testing of H-O theorem (E)

21. Evaluate the role of WTO in the global economy (E)
22. "The classical trade theory is valid even when the labour theory of value is discarded". Discuss (An, CO 1)
- (5 x 2 = 10)**

OBE: Questions to Course Outcome Mapping

CO	Course Outcome Description	CL	Questions	Total Wt.
CO 1	Critically evaluates the classical trade theory and its extensions	E	2, 5, 17, 22	9
CO 2	Analyze the Heckscher-Ohlin trade theory and effects of growth on international trade	An	6	1
CO 3	Analyze the post Heckscher Ohlin trade theories	An	1, 4, 7, 13, 14, 15, 19	14
CO 4	Evaluates the desirability and consequences of trade policies	E	11, 12	4

Cognitive Level (CL): Cr - CREATE; E - EVALUATE; An - ANALYZE; A - APPLY; U - UNDERSTAND; R - REMEMBER;